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Judith A. Riley, J.D.

5909 Northwest Expressway, Suite 101
Oklahoma City, OK 73132

OVERNIGHT MAIL

February 11, 2009

Charles L.A. Terreni, Esquire
Chief Clerk and Administrator
South Carolina Public Service Commission
101 Executive Center Drive
Columbia, SC 29210


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2009 FEB 12 AM 10:17
SOUTH CAROLINA
PUBLIC SERVICE
COMMISSION

RE: Network Innovations, Inc. – Docket No. 2008-462-C
Pre-filed Testimony Copy

Enclosed please find one original and twenty-five copies of the direct testimony required in the above entitled action. A copy has been sent to the South Carolina Office of Regulatory Staff offices on this same date.

Should there be any questions or additional information required, please do not hesitate to contact me at (405) 755-8177 extension 25.

Sincerely,


Alicia G. McKay
Regulatory Agent

RETURN DATE: 2/12/09
SERVICE: OK

Enclosure

cc: Shealy B. Reibold, Esquire, Office of Regulatory Staff, 1401 Main Street, Suite 900, Columbia, SC 29201

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**BEFORE THE
South Carolina Public Service Commission**

In the Matter of)

NETWORK INNOVATIONS, INC.)

Application for Certificate of Public Convenience)
And Necessity to Provide Resold Intrastate)
Interexchange Telecommunications Services)
And Alternative Regulation of its Interexchange)
Service Offerings)

Docket No. _____

SO PUBLIC SERVICE
COMMISSION

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PREFILED TESTIMONY OF RICK A. STERN

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Rick A. Stern. My business address is 1101 West Lake Street, Chicago, IL 60607.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed as Chief Executive Officer of Network Innovations, Inc.

**Q. PLEASE GIVE A BRIEF DESCRIPTION OF YOUR JOB RESPONSIBILITIES AND
YOUR BACKGROUND AND EXPERIENCE.**

A. I have over 15 years of operational and sales experience in the telecommunications industry. I spent 1 year as an Account Executive, first with Allnet Communications, Inc., then 3 yrs with Sprint, Corp. and finally 6 yrs MCI WorldCom. In 2000, I left MCI WorldCom to become Director of Strategic Programs and Alternate Channels for Universal Access, Inc. Not only was I responsible for a major account sales team but I was also responsible for the design and operation of the Alternate Channel program. I left Universal Access, Inc. in 2001 to Open Network Innovations, a MASTER Agent of Universal Access. As Chief Executive Officer of Network Innovations, Inc., I am involved in directing our sales marketing efforts as well maintaining all general business operations. I have a Bachelors of Science: Telecommunications from the University of Florida.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. The purpose of my testimony is to provide evidence regarding the financial, technical and managerial abilities of Network Innovations, Inc. to provide high quality, competitively priced

1 telecommunications services in South Carolina and to describe the services Network Innovations,
2 Inc. proposes to offer.

3 **Q. DESCRIBE THE GENERAL STRUCTURE OF THE COMPANY?**

4 **A.** Network Innovations, Inc. is a privately held Illinois corporation which was registered with the
5 Illinois Secretary of State's office on October 26, 2001.

6 **Q. DESCRIBE NETWORK INNOVATIONS, INC.'S SERVICES AND HOW THE**
7 **COMPANY INTENDS TO PROVIDE THEM.**

8 **A.** Network Innovations, Inc. proposes to provide dedicated access services and Private Line services
9 from points of origin within the State of South Carolina to points of destination within the State of
10 South Carolina. Network Innovations, Inc. targets its marketing efforts towards business
11 customers. Network Innovations, Inc. services will be provided twenty-four hours a day, seven
12 days a week. Network Innovations, Inc. is primarily a reseller and will utilize AT&T and MCI as
13 its primary underlying carriers. The carriers will perform transmission functions on behalf of
14 Network Innovations, Inc. Customers will receive billing for Network Innovations, Inc. services
15 directly from the company.

16 **Q. PLEASE PROVIDE THE STATES WHERE NETWORK INNOVATIONS, INC. HAS**
17 **RECEIVED CERTIFICATION AND THOSE STATES IN WHICH APPLICATIONS FOR**
18 **CERTIFICATION ARE PENDING.**

19 **A.** Network Innovations, Inc. has received certification in California, Georgia, Illinois, Indiana,
20 Kansas, Kentucky, Massachusetts, Missouri, Minnesota, North Carolina, Nebraska, New Jersey,
21 Nevada, New York, Oregon, Pennsylvania, Rhode Island, Texas, Virginia, Vermont, Washington
22 and Wisconsin. We also provide data private line services in FL and CO but these services are not
23 regulated in those states and therefore certification is not necessary.

24 **Q. HAS NETWORK INNOVATIONS, INC. EVER BEEN DENIED CERTIFICATION BY**
25 **ANY STATE OR EVER HAD ITS CERTIFICATION REVOKED?**

26 **A.** No.

27 **Q. HOW ARE CUSTOMER QUESTIONS AND INQUIRES HANDLED?**

1 **A.** Personnel will be available twenty-four hours a day, seven days a week to respond to service and
2 billing problems. Customers will be able to reach our Customer Service Department through the
3 use of a toll-free number. Those numbers are 866-892-0915 or 888-450-2100.

4 **Q. DESCRIBE NETWORK INNOVATIONS, INC.'S FINANCIAL ABILITY TO PROVIDE**
5 **RESALE TELECOMMUNICATIONS SERVICES.**

6 **A.** Network Innovations, Inc. has ample financial resources to operate as a telecommunications
7 reseller. In support of its financial ability to provide service, Network Innovations, Inc. offers its
8 Financial Statements for review.

9 **Q. HOW DOES NETWORK INNOVATIONS, INC. INTEND TO MARKET ITS SERVICES**
10 **IN ILLINOIS?**

11 **A.** Network Innovations, Inc. intends to initially market its services throughout the State of South
12 Carolina via our direct sales force.

13 **Q. BRIEFLY DESCRIBE NETWORK INNOVATIONS, INC.'S TARIFF.**

14 **A.** Network Innovations, Inc.'s tariff contains the rules, regulations and rates for services offered by
15 the company which fall within the Commission's jurisdiction, specifically intrastate data private
16 line. Network Innovations, Inc.'s proposed tariff fully describes our service and products offered
17 by the company and clearly states the rates associated with each product.

18 **Q. HOW WILL THE PEOPLE OF ILLINOIS BENEFIT FROM NETWORK**
19 **INNOVATIONS, INC.'S SERVICES AND PRESENCE IN ILLINOIS?**

20 **A.** Certification of Network Innovations, Inc. will enhance telecommunications competition in South
21 Carolina, (especially in areas affected by a handful of mega mergers reducing the number of
22 different competitors). Competition encourages technological innovation and efficient use of
23 resources. Increased competition has proven to benefit consumers by providing a wide variety of
24 services and processes from which consumers can choose. Certification of Network Innovations,
25 Inc. will provide South Carolina consumers with a wider choice of providers from which to obtain
26 their data services.

27 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

28 **A.** Yes.

1 **STATE OF ILLINOIS**

2 **COUNTY OF COOK**

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AFFIDAVIT

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6 I, Rick A. Stern, first being duly sworn upon oath depose and say that I am the Chief Executive Officer of
7 Network Innovations, Inc., the Applicant, and that I have read the above and foregoing prefiled testimony
8 by me subscribed and know the contents thereof, which testimony was filed in support of Network
9 Innovations, Inc.'s Application for a Certificate of Public Convenience and Necessity to provide resold
10 Intrastate Interexchange Telecommunications Services and Alternative Regulation of its Interexchange
11 Service Offerings throughout the State of South Carolina; that said contents are true in substance and in
12 fact, except as to matters stated upon information and belief, and as to those, I believe the same to be true.

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22 Sworn to and subscribed before me
23 this 12th day of January 2009.

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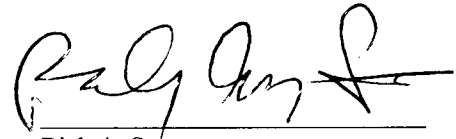
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Rick A. Stern
Chief Executive Officer


Notary Public

My Commission Expires:

4-16-2011

